

**PEOPLE**  
**Carol Higgins Clark**  
**On Her Mother's Trail**  
 "Are you passing on the trail of your mother, the former New York governor, asked Mary Higgins Clark, the best-selling suspense novelist, at her party to celebrate the publication of her daughter Carol Higgins Clark's first book, "Dedicated." Surprisingly, it's also a true story.

INTERNATIONAL  
**Herald Tribune**  
 Published With The New York Times and The Washington Post

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No. 34,023 29/92 LONDON, SATURDAY-SUNDAY, JULY 18-19, 1992 ESTABLISHED 1887

**Democrats Off to a Fast Start**  
**Candidates Hit the Road to Industrial States**

By David S. Broder and Dan Balz  
 Washington Post Service  
**NEW YORK** — At midday on Friday, the new Democratic ticket rolled out on a six-day bus trip through the industrial heartland of America. Their mission is to bring their economic message to ordinary voters, shake off lingering political misgivings from the convention hall — and, not incidentally, to show they are determined not to repeat the mistakes of earlier Democratic presidential campaigns.

**Havel Resigns**  
**As Slovaks Vote**  
**For Sovereignty**  
**Moves Seem to Portend End**  
**Of 74-Year-Old Federation**

By Mary Battista  
 Washington Post Service  
**WARSAW** — President Vaclav Havel of Czechoslovakia resigned Friday, effective Monday, just an hour after jubilant nationalists in Slovakia's parliament approved a declaration of sovereignty.

**Clinton on Global Issues:**  
**Strength Begins at Home**

The Associated Press  
**NEW YORK** — Here is what Bill Clinton had to say on key international issues during his speech accepting the Democratic Party's nomination for president.

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The Democratic vice presidential candidate, Al Gore, and his wife, Tipper, upstaged the presidential nominee, Bill Clinton, and his wife, Hillary, as the four prepared to board a campaign bus Friday.

**Clinton, a Seven-Day Wonder, Now Faces a Four-Month Test**

By R.W. Apple Jr.  
 New York Times Service  
**NEW YORK** — It has been a remarkable seven days for Bill Clinton.

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**Site of '92 Games?**  
**Why, in Catalonia!**

By Alan Riding  
 New York Times Service  
**BARCELONA** — By the time the 25th Summer Olympic Games begin here July 25, most sports fans will know that Barcelona is in Spain.

**Kiosk**  
**U.S. Exports**  
**Slid in May**

**NEW YORK (IHT)** — A slide in exports helped push the U.S. trade gap to an 18-month high in May.

**2 Supertankers**  
**In a Collision**

**NEW YORK (Reuters)** — Two supertankers, the Greek-registered Radwan and the Liberian-registered Ago Hebe, collided and caught fire in the Strait of Malacca about 65 miles south of Singapore.

**General News**  
**The Security Council**  
**voted to send a special envoy to South Africa.**

**Business/Finance**  
**German firms will build Europe's first high-speed magnetic-rail train.**

**Time Warner Takes Heat Over Rapper's 'Cop Killer' Song**

By Carla Hall  
 Washington Post Service  
**LOS ANGELES** — After months of controversy and public outcry over the rapper Ice-T's "Cop Killer" song, police officers, their families and supporters took their protest to the Time Warner stockholders who stand to make profits from the song.



Ethnic Serbs in Gorazde, in eastern Bosnia, carrying a comrade to his grave Friday after he fell in fighting with Muslims.

**New Truce**  
**For Bosnia**  
**Proclaimed**  
**In London**

By Craig R. Whitney  
 New York Times Service  
**LONDON** — The three warring communities in Bosnia-Herzegovina agreed Friday to place their tanks, artillery, mortars and other heavy weapons under United Nations supervision and to begin a 14-day cease-fire.

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 Weather Page 2



CAMPAIGN '92 / DEMOCRATS

ELECTION NOTES

Quayle's Spelling Victim Steals the Show

NEW YORK — William Figueroa, the 12-year-old boy whom Dan Quayle coaxed into misspelling "potato" in a Trenton, New Jersey, spelling bee, was an instant celebrity when he spelled on the convention floor. The boy had been recruited to recite the Pledge of Allegiance in the evening's festivities.

Hillary Clinton's Mom Is No 'Stage Mother'

NEW YORK — Dorothy Rodham, Hillary Clinton's mother, has given a lot of thought to what kind of first lady she would like her daughter to be. "I sort of see her as a combination of Eleanor Roosevelt and Jackie Onassis," she said.

NBC Grabbed ABC Beam in Perot Scramble

NEW YORK — When Ross Perot shook up the Democratic convention with his decision not to run as an independent candidate for the presidency, viewers who were tuned to NBC-TV missed Mr. Perot's saying that he would not run — and when NBC began showing Mr. Perot's Dallas press conference several minutes late, the network used the ABC News satellite feed.

Perot's Pullout Leaves a Void

WASHINGTON — The Republican Party has a void where Ross Perot once stood. He has left a hole in the party's ranks that will take time to fill. Perot's withdrawal from the race has left a void in the party's ranks that will take time to fill.



Referring to Republicans, Senator Al Gore asked delegates: "What time is it?" The answer: "It's time for them to go."

Quote-Unquote

Al Gore, in his acceptance speech to the convention: "Our country is in trouble. And while George Bush and Dan Quayle have been making excuses for deadlock and delay, people in other nations — inspired by the eternal promise of America — have torn down the Berlin Wall, brought communism to its knees and forced a racist government in South Africa to turn away from apartheid." (NYT)

Away From the Hustings

- A panel of patent experts commissioned by the Department of Health and Human Services concluded that there is no substance to a French government request that the United States hand over millions of dollars in royalties from the AIDS blood test developed by the two countries seven years ago.
Senator Quentin Burdick, 84, who has been in the Senate since 1960, was admitted to a hospital coronary unit in Fargo, North Dakota, after "not feeling well," his office said. Mr. Burdick is a Democrat.
Less than a week after Governor Lowell P. Weicker Jr. announced that Connecticut would show a modest 1992 budget surplus, the state's top tax official acknowledged that some income-tax refunds were delayed last month, which fueled speculation that the size of the surplus had been exaggerated.
William J. Brennan, 86, the retired Supreme Court justice, was released from Bethesda Naval Medical Center, where he had been hospitalized for a day and a half for "intestinal discomfort."
Turned away by three states, a train loaded with 2,200 tons of smelly, bug-infested New York City garbage began unloading in Keaney, New Jersey, so the trash can be sent by truck right back to its source on Staten Island.
A strain of tuberculosis killed seven inmates and a guard at a New York prison, federal health officials reported in Atlanta.
A volcano in the Aleutian Islands spewing ash to 12,000 feet above the ocean could be entering a renewed and prolonged active stage but poses little danger to humans, a volcanologist said in Dutch Harbor, Alaska.
A study that ranks the nation's law schools by how often their professors write in leading law reviews has concluded for the second time that faculty members of the University of Chicago School of Law and Yale Law School outpublish their peers.
The Socialist Workers Party has donated a massive collection of original work by Leon Trotsky to the Hoover Institution in Stanford, California, considered a bastion of conservatism.
WP, AP, NYT, UPI, Reuters

Even Out, Perot May Turn Into A Spoiler

WASHINGTON — Although Ross Perot said he is dropping his campaign for president, he left open a crucial question — whether he will move to keep his name off the ballot in states where he has qualified to appear.

Perhaps a Predictable Pullout

WASHINGTON — Ross Perot for years has promoted his reputation for making the grand dramatic gesture, like his rescue of two employees held in an Iranian prison in 1979 and his extraordinary efforts to find U.S. prisoners of war in Vietnam.

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CLINTON: A 7-Day Wonder Faces a 4-Month Test

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A Post-Perot Bonus in Poll

A Post-Perot Bonus in Poll. (Compiled by Our Staff From Dispatches) NEW YORK — In the first major poll taken after Ross Perot's withdrawal from the presidential race, Governor Bill Clinton had a 23-point lead over President George Bush.



A delegate to the Democratic National Convention from Washington state holding a sign indicating hospitality for backers of Ross Perot, who abandoned his independent campaign for the presidency.

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Candidate Stresses 'Time for a Change' In His Acceptance

NEW YORK — Before setting off Friday on his first campaign tour as the Democratic presidential nominee, Bill Clinton introduced himself to the American people as the boy from Hope, Arkansas, who hoped to revitalize the economy, shake up the government and fight for the "forgotten" middle class.

In a speech at the windup of the Democratic National Convention that nominated him, Mr. Clinton appealed to the suddenly abandoned supporters of Ross Perot to join his campaign "to change America" and urged all voters to begin the economic recovery by adding one more person to the unemployment lines. President George Bush.

He recalled the father who died before he was born; his working mother who taught him "hard work, sacrifice" and "to fight"; his grandfather who owned a grocery store and "taught me more about equality and justice than all of his college professors, and his wife, Hillary, who helped sensitize him to the plight of America's children. "I'm fed up with politicians in Washington lecturing the rest of us about 'family values,'" he said. "Our families have values, but our government doesn't."

He outlined the contrast with Mr. Bush by describing a series of goals for his own presidency: health care for all Americans, family leave, an end to special interests' "stranglehold" on government. "I am fed up with a woman's right to choose," he said. "I will." Then he added, "Hear me now. I am not pro-abortion. I am pro-choice."

He also highlighted another area where Democrats now believe they hold the upper hand politically. "He doesn't have Al Gore," Mr. Clinton said of Mr. Bush. "I do."

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OPINION

INTERNATIONAL Herald Tribune

Perot Leaves a Mark

A Capricious Finale

Ross Perot deserves high marks for throwing a healthy scare into both parties and energizing an army of Americans disaffected with the political system.

The Choice Sharpens

The presidential campaign this year has been marked by a series of surrogates for None of the Above, someone meant to signify these voters' dissatisfaction with government as practiced by political regulars, favorites, incumbents and/or parties.

dent of precious time to organize a government. Baloney. A serious candidate would have his key players organized in anticipation of the House vote.

ultimately survive. He wanted a political job without the pain of politics, and nobody should be surprised that it did not work.

Clinton Can Survive the Math Soup

By George F. Will

NEW YORK — The popping of the Perot bubble means the House of Representatives can relax. And so can the rest of America.

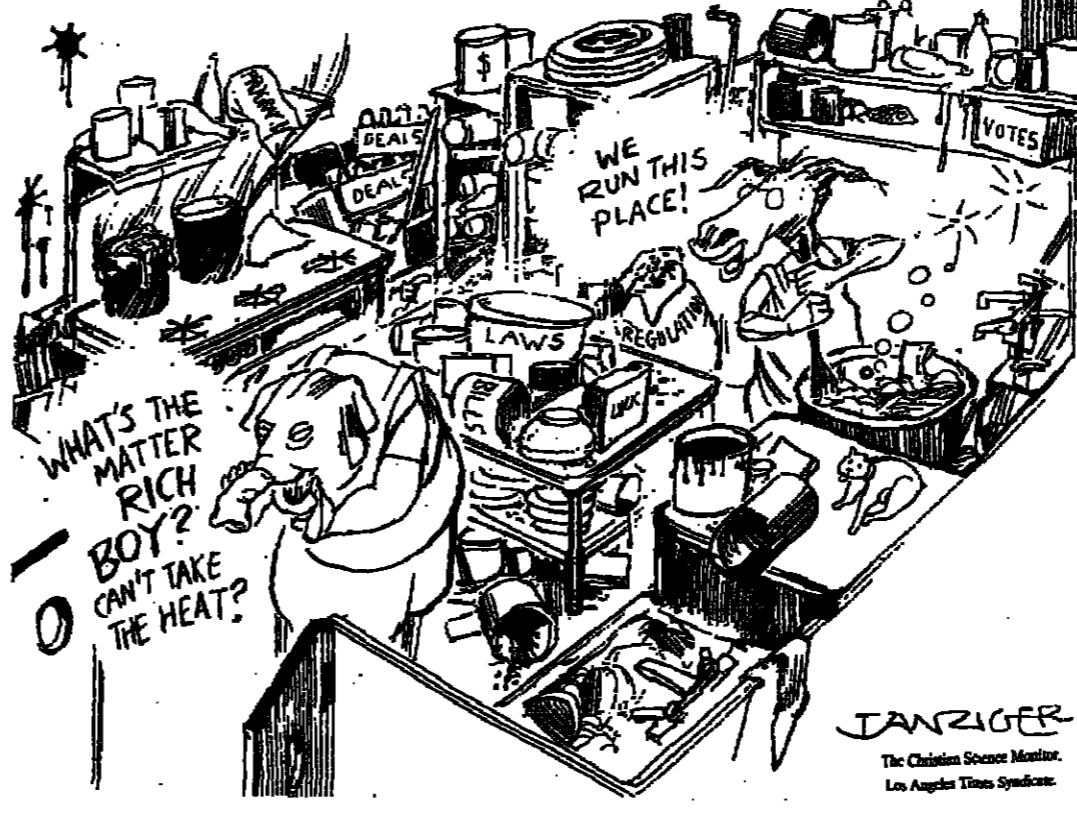
After the Dukakis debacle, a Democrat, noting the disparity between his party's anemic presidential politics and its strength in state and local elections, said, "We do better the closer we get to people's garages."

The Women Have Set a Powerful Pace

By Anthony Lewis

NEW YORK — So it was not a boring political week after all. Ross Perot is out. The Democratic Party lives. And the Democratic Convention, underneath the hoopla, showed us a profound change in American politics and culture.

Bill Clinton and John Kennedy were often compared this past week: the two youngest nominees. But think about the role of women in those two campaigns.



form and convention rhetoric. Mr. Clinton leaves New York better positioned than any Democratic nominee since LBJ in 1964 to get at least a hearing in the more conservative, martial and entrepreneurial regions, the South and the West.

Renew U.S. Ties With the Changing Chinese Military

By Gerald Segal

HONG KONG — China is more secure than at any time in several centuries. Yet the Chinese People's Liberation Army, like many military forces in the post-Cold War world, is ill at ease because of major changes in the balance of power.

China also has particular problems in domestic politics. If the outside world wishes to help influence the Chinese military to make sensible choices, the time has come to lift the Western ban on contacts imposed following the massacre of pro-democracy demonstrators in Beijing in 1989 and to re-establish normal working relations with the Chinese military.

Tokyo's Claim to the Kurils Is Shaky

By Gregory Clark

TOKYO — Contrary to much Western belief, Tokyo's legal, as opposed to historical, claim to most of the so-called Northern Territories — disputed islands to the north of Japan and at the southern tip of the Kuril Island chain — is quite weak.

The Kuril Islands were promised to Stalin by the United States at the February 1945 Yalta conference, in exchange for a Soviet promise to attack Japan following the defeat of Nazi Germany.

Other Comment

Spratlys: Don't Wait for War

The Spratly Islands are a scattered group of mostly barren atolls and shoals in the South China Sea. But they are thought to be rich in oil and gas, and six countries in the region have overlapping claims to them.

Israel Can Make It Happen

So far, so good. Yitzhak Rabin has kept his promise that peace with the Palestinians would be the principal goal during his term in office.

The High Price of Hot Air

The price of concentrated hot air and hysteria is going up. Public funding of major party political conventions has reached \$22 million this year — an all-time high.

The 'Euro-Atlantic Concert'

The purpose of the [NATO and European] operations off Yugoslavia looks justified: to control how the UN embargo is being carried out.

1892: Help for Harrison

NEW YORK — Mr. Thomas H. Carter, of Montana, has been selected by President Harrison to manage the Republican campaign.

1942: Brass for the Brass

WASHINGTON — [From our New York edition:] The sale of Army and Navy insignia is henceforth to be restricted to Army and Marine Corps post exchanges and Navy ship service stores, according to a War Production Board order issued today.

1917: Baseball Twister

NEW YORK — Rain and the Mississippi River put Chicago into first position in the American League today [July 16]. This is the way it is figured out. If it had not rained Chi-

The Kitchen, Just Wasn't Perot's Dish

By A. M. Rosenthal

NEW YORK — The feeling of living in a world suddenly gone chaotic around him was too much for Ross Perot. He talks publicly about the political reasons — the revitalization of the Democratic Party — and not wanting to throw the race into the House of Representatives. Privately, close friends say there are other things involved but that he pledged them to secrecy.

But whatever any other reason, he could no longer live with the sense of being caught up in disorder that he felt distorted him as he saw himself.

I knew that after I spoke to him by phone about an hour before his public announcement. Although he said at that moment he would not give a flat answer to my question — Are you out? — neither did he pretend.

He said he was used to a life in order but was living in a chaos, where he could not concentrate on things that seemed to him to be "real."

There is more to be told about why he quit. Policy specialists who worked long with him and admired him but are not among his most intimate friends are totally puzzled and shocked.

Whatever he tells the public, the political reasons he gives were obvious before he gathered his army of volunteers. To drop the burden, he let them down, hard. Mr. Perot just about wiped out the hope he had raised himself in those volunteers — that the change they craved could come outside the turf of the two political parties.

He says that the parties are changing enough for him to get out. That comes as news to the volunteers who invested their time, their money and their emotions in him.

Democratic leaders had hoped he would stay through the election. Anything contrary they say now is pure 100 percent baloney. They figured he would lose the support of straying Democrats before the election and that the voters he would keep would come from George Bush.

One out against President Bush will be tougher for Governor Bill Clinton than a three-way race. But the governor shows more strength and skill every day. He and Senator Al Gore are resilient men with range and energy. With Mr. Perot gone, the Bush team will turn its attention to Mr. Clinton. The Democrats expect and to be strong and are paying specialists in "research" themselves. Mr. Clinton and Mr. Gore can absorb political blows — and know how to lay about them.

INTERNATIONAL HERALD TRIBUNE
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A Piece
TOKYO — Back in the 1970s, Japan's economy was booming. U.S.-based Disney...
Chase Asi
HONG KONG — The 1992 election...
ALPHA ASSOCIATES



# Savvy Collectors Get Down to Basics

**L**ONDON — If recessions have any virtue, it is that people cease to pretend to each other and make a beeline for essentials. The art market is no exception. On Tuesday, at Christie's, a sale of British drawings and watercolours gave a striking picture, so to speak, of what is dearest to the British heart and how it fares as transactions in the overall economy reach an all-time low since World War II.

From the moment Charles Atton, Christie's deputy chairman and one of Britain's best auctioneers, took the hammer, the trend that has characterized most auctions in recent weeks could be observed. Bidding was brisk on the items seen as desirable. Those that aroused no interest dropped dead without any attempt from the public to go after them. The overall picture from this selection process is one of remarkable conservatism, which could lead to the dismissal of excellent works simply because they do not fall within recognized patterns.

The most extreme case was the failure of a drawing by one of the greatest 18th-century landscape painters, Richard Wilson. The small sketch shows imaginary Roman ruins with the Colosseum in the distance. "Capriccio," common in Venetian art, are rare in Britain. What makes this one unique within Wilson's oeuvre is that it is a first thought for a cartoon, almost certainly intended for the back of an upholstered chair. There is no other evidence of the painter's involvement with furniture design. A precious document if ever there was one, the sketch went unsold at £320 (about \$640).

Two lots down, a group of three sketches by another 18th-century artist not nearly as famous as Wilson, Edward Dayes, provided an enlightening contrast with Wilson's failure. The drawings, respectively, a horseman by a ruined tower, a horseman crossing a bridge and a landscape with a cottage by a weir, are standard images of the English countryside, done in quick light dabs with an Impressionist touch. The group sold easily for £1,155, well within the estimate.



Gainsborough's "A Family of Peasants Going to Market" (detail) sold for £352,000

Yet, the conservative estimate does not square with an uncritical approach, quite the contrary. Francis Towne (1739-1816) was one of the greatest English watercolorists. But the Italian views he executed on commission after his trip to Italy, often worked up from earlier sketches, tend to be little more than stilted clichés. A view of a clearing in a forest near Tivoli dated 1813 might have sold three years ago. On Tuesday it found no buyer as bidding stopped at £3,400.

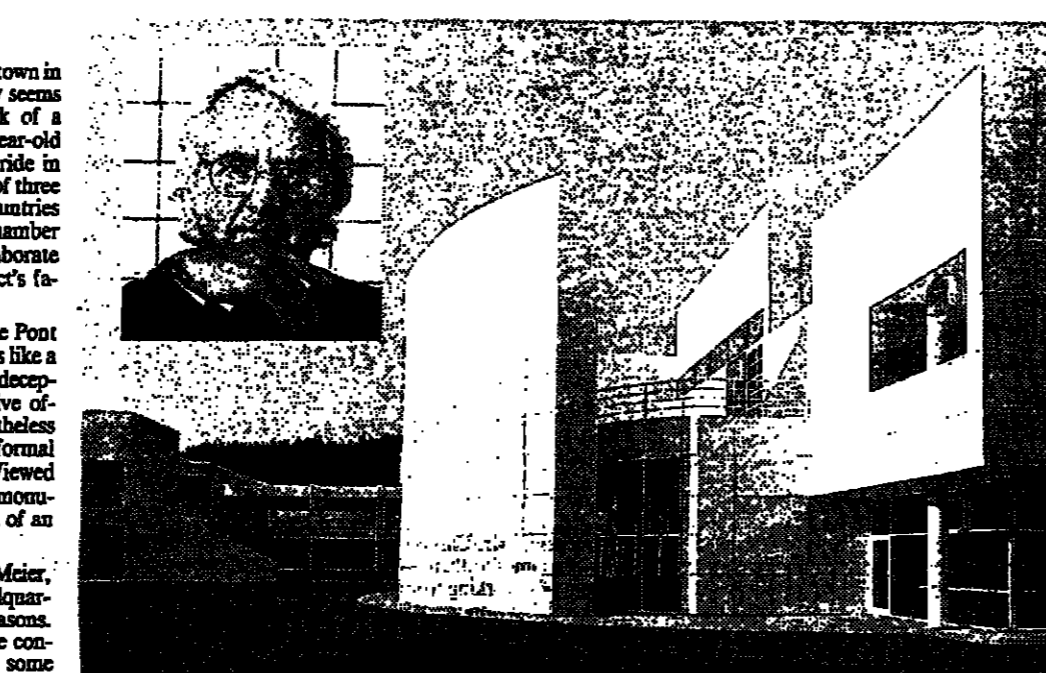
Within the boundaries of traditional aesthetics, there is unquestionably a desire for novelty. A group of landscapes by the relatively little-known John White Abbott (1763-1851) was well received. Abbott, trained under Francis Towne, remained an amateur, making a living as a surgeon. His views of his native Devon, close to Towne's later manner, have a whiff of naiveté.

"Sheep Tor, Meavy," dated Aug. 9, 1834, has what Towne's Tivoli view of 1813 cruelly lacks — freshness. It was hotly disputed and went up to £3,740. Even the drawings in pen and gray wash, which often look like illustrations for a magazine, mostly sold in the £700 to £1,000 range. Prices here strictly reflected the aesthetic quality of what was offered, establishing that conservative as they may have been, the buyers were true connoisseurs.

There was a replay at Sotheby's on Thursday with a more modest sale. Gainsborough's rare but rubbed pastel portrait of a duchess fetched £44,000 and a vivid sketch of his of an open landscape made £28,600. But 78 of the 174 lots fell flat on their faces.

# Europe's Love Affair With an American Architect

**S**CHWENDI, Germany — If this small town in a remote corner of southern Germany seems an improbable location for the work of a renowned international architect, 57-year-old Richard Meier nonetheless takes particular pride in the building recently completed here. The first of three projects to be completed in three European countries within a single month, Schwendi is a kind of chamber music, while Paris now boasts the most elaborate orchestration to date of the American architect's familiar themes.



Richard Meier (inset) and his Weishaupt Forum, a tone poem of light and shadow.

architect prides himself on having created a pre-eminently Dutch building there, while he sees Canal+ carrying on the spirit of the visionary city-planner Georges Eugène Haussmann, who modernized Paris in the 19th century.

On the left bank of the Seine just west of the Pont Mirabeau, the new headquarters of Canal+ rises like a stately ocean liner afloat on waves of light. A deceptively massive complex including administrative offices and television production facilities, it nonetheless projects the transcendent aura, the reductionist formal poetry, that distinguishes the work of Meier. Viewed in a political context, the building is the latest monument to President François Mitterrand's vision of an architectural renaissance for the city of Paris.

It is also a belated consolation prize for Meier, whose spectacular plan for a new Renault headquarters was aborted a decade ago for financial reasons. Insiders suspect that the winning design for the controversial Bastille Opéra was selected because some jurors presumed the proposed white-on-white ensemble was Meier's entry. In fact, he was not among the competitors.

Such a faux pas has one conspicuous advantage, for it increased sensitivity in France to the American's achievements. So, too, did the opening of Frankfurt's spectacular Museum of Decorative Arts in 1986, which marked the beginning of a phenomenal European career. The recent dedication of the Canal+ building set new standards of ambition for Meier, who is now at work on similarly ambitious projects throughout Western Europe. Bank buildings are rising in Luxembourg and Basel, a contemporary art museum in Barcelona, a city hall in The Hague, and an exhibition center in Ulm. Construction will soon begin on a new corporate headquarters for Siemens in Munich.

Of Meier's jet-setting contemporaries, only I. M. Pei approaches this international presence. Yet the publicity accorded Meier's design for the \$360 million Gerry Center at Malibu, often hyped as "the commission of the century," has tended to obscure this European profile. More than a dozen projects in seven countries

are now in various stages of construction. They include a proposal for the Damier Beaz headquarters on Berlin's desolate Potsdamer Platz — the most sensitive site in the reborn capital. Other than the Gerry spectacular, Meier's countrymen have not followed suit; there are no significant American commissions and no examples of his work in his hometown of New York.

# At Unesco, a Mini World's Fair

**P**ARIS — The headquarters of the United Nations Educational, Scientific and Cultural Organization is still tight there on the banks of the Seine in Paris, but until the end of October it's worth a detour.

To mark the 20th anniversary of its World Heritage program, Unesco has organized an exhibition of photographs and artifacts relating to sites and monuments on the list of heritage sites.

The exhibition is like a miniature world fair, with a German Bierstube in the garden, a miniature Hungarian house and a movable feast of gorgeous pictures.

The World Heritage list includes 358 monuments or sites in 83 countries, ranging from national parks

tougher and more specific guarantees of protection. He has proposed the creation of a force of "green berets," including conservationists and restorers, that could be moved in quickly when a heritage site is threatened by disaster.

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**9 AUCTION SALES**  
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AT 9.30 P.M. ON  
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SATURDAY JULY 25 | AUGUST 1 | AUGUST 8  
SUNDAY JULY 26 | AUGUST 2 | AUGUST 9  
Old and modern jewelry and silverware  
Far East from important collection  
Modern paintings, School of Paris, Homage to Kishin  
Contemporary paintings, Pollock, Herbin Massier, Zao-Won-  
XXth century oriental paintings. Modern sculpture  
Objets d'art and fine furnishings (XVIIIth century  
Numerous prestige signature  
Old carpets, Tapestry  
MOISE KISLING (1891-1955)  
LA FÊTE DES FLEURS A SAINT-TROPEZ (1919)  
Oil on canvas  
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73 x 54 cm; 28 3/4 x 21 1/4 inch  
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Fax: (33) 74 22 10 25

# NYSE

Friday's Closing  
ables include the nationwide prices up to  
closing on Wall Street and do not reflect  
trades elsewhere. Via The Associated Press

Table with columns for NYSE market data, including various stock indices and performance metrics. Includes sub-sections like 'NYSE Highs-Lows' and 'NYSE Highs-Lows'.

Table containing detailed financial data for various companies, including stock prices, volume, and market activity. Includes sub-sections like 'NYSE Highs-Lows' and 'NYSE Highs-Lows'.

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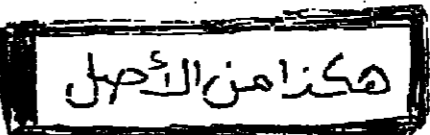
Table containing detailed financial data for various companies, including stock prices, volume, and market activity. Includes sub-sections like 'NYSE Highs-Lows' and 'NYSE Highs-Lows'.

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Advertisement for 'Economic Services' featuring a large graphic and text: 'For Clinton, I Can Both Help'. Includes contact information for 'Economic Services' and 'Key Money Rates'.





ECONOMIC SCENE

For Clinton, Hard Times Can Both Help and Harm

By Peter Passell
New York Times Service
NEW YORK — Hard times could put Bill Clinton in the White House...

Deficits are here to stay. The Clinton economic plan calls for halving the federal deficit by 1996...

Most of the planned reduction, Mr. Feldstein says, would come automatically with the economic recovery already under way...

THE CLINTON campaign plan bubbles with enthusiasm for infrastructure: "Just as constructing interstate highways in the 1950s ushered in two decades of unparalleled growth..."

Alicia Munnell, the research director of the Federal Reserve Bank of Boston, thinks "the basic thrust is correct." She is convinced that America invests too little and that private markets cannot do the job alone...

The sobering reality is that lean times have left the next president with little room for economic maneuver. And an effort to reinvest in people and places would take years to bear fruit.

CURRENCY RATES

Table with columns for currency types (Cross Rates, Other Dollar Values, Forward Rates) and various international exchange rates.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and U.S. Money Market Funds, showing various interest rates.

Germans Heard Europe's Clamor

By Tom Redburn
International Herald Tribune
PARIS — When Europe talks, the Bundesbank listens. At least a little.

German government bonds lost as much as one-third of a point and British bonds fell more than half a point in the futures market.

But the action taken by the See RATES, Page 12

Worries On HDTV Hit Philips

Compiled by Our Staff From Dispatches
AMSTERDAM — The stock of Philips Electronics NV, depressed for months by disappointing earnings, plunged a further 11 percent Friday following a news report that cast doubt on the high-definition television project that Philips is counting on heavily.

Many Sell Signals Weigh on Tokyo Stocks

Compiled by Our Staff From Dispatches
TOKYO — Investors found plenty of reasons to sell Japanese stocks on Friday, and while analysts said some were not individually compelling, together they appeared to signal further problems ahead for the troubled market.

U.S. Export Picture Turns Grim

By Lawrence Malkin
International Herald Tribune
NEW YORK — A slide in U.S. exports helped push the monthly trade deficit to an 18-month high in May, the Commerce Department reported Friday, undercutting President George Bush's hopes for an export-led recovery as the November election approaches.

Despite increased oil costs, imports fell 1.4 percent in May, to \$42.9 billion, as fewer consumer goods were ordered. Exports fell 2.5 percent, to \$35.5 billion, continuing a slide that began after February's record \$40.9 billion.

IBM spokesman said job cuts for 1992 would exceed the target of 20,000. But he said IBM would be unable to accurately forecast the total until after the July 31 deadline for its U.S. severance program.

IBM Drops as Profit Rise Fails to Please

Compiled by Our Staff From Dispatches
NEW YORK — International Business Machines Corp. said Friday that cost-cutting and a recovery in the computer market helped its earnings jump more than fivefold in the second quarter, but the increase fell short of expectations on Wall Street and IBM stock tumbled.

IBM shares were down \$5.125 at \$95 in late trading on the New York Stock Exchange. Trading was delayed for more than an hour because of an excess of sell orders.

Digital Tries to Discard Past to Ensure Future

By John Markoff
New York Times Service
NEW YORK — Following the departure of Kenneth H. Olsen, Digital Equipment Corp. may survive only if it is able to execute immediately a strategy that seems to have been put in place recently in spite of Mr. Olsen.

They're still stranded in the '60s, when the minicomputer was king. In another move that added to the uncertainty surrounding Digital, the president of the company's European operations, Pier Carlo Falotini, announced his resignation suddenly Friday.

U.S. Export Picture Turns Grim

with Japan has widened by about the same amount. Recession in Canada also exacerbated the U.S. deficit with its largest trading partner.

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Indonesia Arranges Aid Despite Dutch Withdrawal

Compiled by Our Staff From Dispatches
PARIS — Indonesia said Friday it had arranged to receive \$4 billion of aid for the fiscal year that began April 1, despite a dispute with the Netherlands and Portugal over the killing of civilians in an annexed colony of East Timor in November.

To Keep the Lights On, Asia Enlists Private Sector

By Michael Richardson
International Herald Tribune
SINGAPORE — Countries in Asia and the Pacific, their economic growth constrained by shortages of electricity and capital to build power plants, are finally turning to the private sector to build and operate utilities.

There will be no solution" to the electricity shortages. Indonesia on Tuesday unveiled a long-awaited presidential decree that is intended to clear the way for private investment in power generation. However, Giandjar Karta-samita, the mines and energy minister, disappointed would-be investors when he said that the government would not guarantee any capital investment or debt repay-

Governments are reluctant to give guarantees to satisfy project organizers and banks have doubts that making loans for private power supply will be profitable.

household power is outstripping the capacity of governments to supply it or to pay the rising costs of plant construction. Asian officials and private investors agree that there is a major new opening for the private sector in power supply to the region, which has long been monopolized by state utilities.

U.S. Money Market Funds

Table showing U.S. Money Market Funds with columns for fund names and various metrics.

GOLD

Table showing Gold prices with columns for locations and prices.

Herald Tribune advertisement: LIVING IN THE U.S.? NOW PRINTED IN NEW YORK FOR SAME DAY DELIVERY IN KEY CITIES TO SUBSCRIBE, CALL 1-800-882-2884

MARKET DIARY Economy Problems Batter Wall Street

NEW YORK — Wall Street tumbled Friday on signs of problems in the economy that were reflected in such diverse ways as disappointing earnings from IBM and the Dow Jones industrial average fell 29.49 points, to 3,331.64.

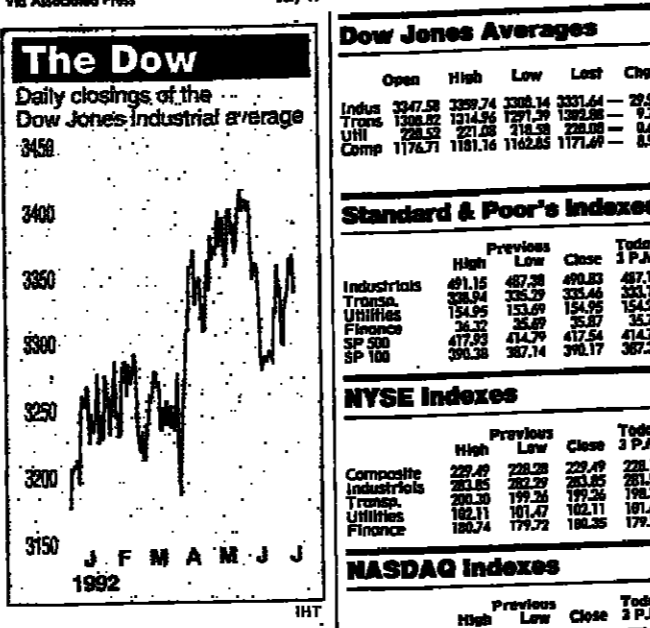


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active stocks including IBM, Microsoft, and Intel.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary and AMEX Stock Index.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Active and NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Stock Index and NYSE Most Active.

Table titled 'Dow Jones Averages' showing Open, High, Low, Last, Chg. for Industrial, Financial, and Composite indices.

Table titled 'Standard & Poor's Indexes' showing Previous, Close, Today for various sectors like Industrials, Financials, etc.

Table titled 'NYSE Indexes' showing Previous, Close, Today for Composite, Industrials, Financials, and Utilities.

Table titled 'NASDAQ Indexes' showing Previous, Close, Today for Composite, Industrials, and Financials.

Table titled 'AMEX Stock Index' showing Previous, Close, Today for Industrials, Financials, and Utilities.

Table titled 'Dow Jones Bond Averages' showing 30 Bonds, 10 Industrials, and 10 Financials.

Table titled 'Market Sales' showing NYSE 3 a.m. volume, NYSE 10 a.m. volume, and NASDAQ 10 a.m. volume.

Table titled 'N.Y.S.E. Odd-Lot Trading' showing Buy, Sell, Short, and Total for various dates.

Table titled 'S&P 100 Index Options' showing Strike Price, Call, Put, and Total for various dates.

Table titled 'Previous NASDAQ Diary' showing Advanced, Declined, Total Issues, and Total Volume.

U.S. / AT THE CLOSE

NationsBank Agrees to Acquire MNC — CHARLOTTE, North Carolina (Combined Dispatches) — NationsBank Corp., the fourth-largest U.S. bank holding company...

Texas Instruments Made \$72 Million — DALLAS (Combined Dispatches) — Texas Instruments Inc. said Friday it earned \$72 million in the three months ended June 30...

GM Said to Offer Plants to Suppliers — DETROIT (Combined Dispatches) — General Motors Corp. reportedly has proposed renting its unused U.S. factories...

Baker Hughes Expects New Charge — HOUSTON (Bloomberg) — Baker Hughes Inc. said Friday it would take a pretax charge of \$50 million to \$80 million...

For the Record — Ford-Werke AG, the German unit of Ford Motor Co., said sales in the first half rose 8 percent from a year earlier...

FDIC Sees Little Reprieve for Banks — OKOBOJI, Iowa — Strong profits for the banking industry year have only delayed another round of large failures...

RADE: Export Results Falter

Continued from first finance page. The world slows down, while consumer imports tend to be less volatile than capital goods...

Foreign Exchange

Price and more on potential up and there are signs that products in a number of traditionally strong sectors are having penetrating overseas markets...

ORLD STOCK MARKETS

Large table listing stock market data for various international markets including Amsterdam, Helsinki, Hong Kong, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, and Toronto.

EUROPEAN FUTURES

Table listing European futures contracts for Food, Industrials, and Financials, including SUGAR, COCA, and WHEAT.

U.S. FUTURES

Table listing U.S. futures contracts for Grains, Soybeans, and Metals, including WHEAT, SOYBEAN, and COPPER.

Stock Indexes

Table listing various stock indexes including NYSE, NASDAQ, AMEX, and international indices like Nikkei and Hang Seng.

Vertical text on the right edge of the page, possibly a page number or publication info.

German Firms Link Up To Push Magnetic Train

BONN — Three German industrial giants have formed a joint company to build Europe's first high-speed magnetic-rail train, Thyssen AG said Friday...

Parliament Lifts Russian Spending Outlays in 1992

MOSCOW — The Russian parliament demurred the government's budget on Friday, vetoing a deficit put forward by the acting prime minister...

Italy's EFIM in Liquidation

ROME — The Italian government is putting the unprofitable, debt-laden state holding company EFIM into liquidation...

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates and indices.

DIGITAL: Computer Maker Tries to Discard the Past

(Continued from first finance page) chusets Institute of Technology founded Digital 35 years ago...

Mirror Dives on Return to Market

LONDON — Shares in Mirror Group Newspapers PLC plunged Friday to less than half their flotation price...

Very briefly:

- Royal Corp's stock rose in Johannesburg on speculation that it was negotiating to take over Del Monte Foods Europe...

COMPANY RESULTS

Table of company results including Continental Bank, Great Western Fin., Northrop, Philip Morris, and Unisys.

POWER: Private-Sector Hopes

(Continued from first finance page) with Japanese, Hong Kong, North American and European construction and utility companies...

BMW Says No Mercedes Pact for Now

STUTTGART — Technical cooperation between Bayerische Motoren AG and the Mercedes-Benz AG unit of Daimler-Benz...

NYSE Friday's Closing

Table showing NYSE Friday's closing prices for various stocks and indices.

Table of international classified advertisements and company results.

HUNGARY TELECOMMUNICATIONS BUILDING CONSTRUCTION PROJECT Invitation to Bid

Advertisement for the Hungarian Telecommunications Co. Ltd. building construction project, including details on bids, tender documents, and contact information.

ESORTS & GUIDES section listing travel services for Belle Epoch, Mercedes, and other agencies.

INTERNATIONAL CLASSIFIED section with various classified advertisements.

ESORTS & GUIDES section listing travel services for Geneva & Paris Connection, Kennedy's Blue Velvet, and other agencies.

# RATES: Bundesbank Sensitive to European Clamor Against Tightening

(Continued from first finance page)  
 Bundesbank — lifting its discount rate from 8 percent to 8.75 percent in keeping the Lombard rate at 9.5 percent — did not trigger rates across most of Europe. Italy was forced to boost rates to protect its currency on Thursday, while the Dutch and Belgium central banks followed with rate moves that were faint echoes of the Bundesbank increase. On Friday, the Bank of England nudged up one of its money-market rates.

The latest reaction was in stark contrast to the Bundesbank's increase in the Lombard and dis-

count rates last December. That move set off a bowl of protests across Europe after Germany's partisans in the European Monetary System were forced to follow suit. German banks can acquire limited, short-term funds at the discount rate, which helps set a floor for domestic borrowing rates. The Lombard rate, by contrast, is a higher rate that acts as a ceiling on Germany money market rates, but which also determines rates elsewhere in countries in the EMS.

Meanwhile, though, German government officials — suffering from the pains of unification — were the

ones to express bitter disappointment this time with a decision that is bound to keep a lid on any economic upswing in Germany.

Jürgen Möllemann, Bonn's outspoken economics minister, "is distancing himself from this decision," a spokesman said Friday. "He believes it will reduce investment in Eastern Germany because of the increased cost of money."

Mr. Möllemann, who attended the Bundesbank meeting, had warned of the danger of a rate increase. He said on television that the group had been split over the decision.

Chancellor Helmut Kohl was also opposed, according to Prime Minister Gro Harlem Brundtland of Norway. "Kohl made it clear to me that he had personally advised against a rise in interest rates," Mrs. Brundtland told the Norwegian daily Dagens Naeringsliv.

"Without a doubt, there is a danger that the economy will be endangered," complained Matthias Wissmann, spokesman on the economy for Mr. Kohl's Christian Democratic Union. "I would have preferred that the Bundesbank had adopted a policy of wait-and-see."

# NASDAQ

**Friday's Prices**  
 NASDAQ prices as of 4 p.m. New York time. This list compiled by the NYSE compares the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

| High   | Low    | Stock     | Div  | Yield | PE   | High   | Low    | PE   | Div  | Yield | PE   |
|--------|--------|-----------|------|-------|------|--------|--------|------|------|-------|------|
| 110.00 | 108.00 | IBM       | 3.00 | 2.7%  | 12.5 | 110.00 | 108.00 | 12.5 | 3.00 | 2.7%  | 12.5 |
| 100.00 | 98.00  | Microsoft | 0.00 | 0.0%  | 15.0 | 100.00 | 98.00  | 15.0 | 0.00 | 0.0%  | 15.0 |
| 90.00  | 88.00  | Oracle    | 0.00 | 0.0%  | 18.0 | 90.00  | 88.00  | 18.0 | 0.00 | 0.0%  | 18.0 |
| 80.00  | 78.00  | Intel     | 0.00 | 0.0%  | 20.0 | 80.00  | 78.00  | 20.0 | 0.00 | 0.0%  | 20.0 |

# Chase Asia

**HONG KONG** — Chase Bank has announced the appointment of a new managing director for its Asia Pacific region. The new managing director, Robert W. Ross, will be based in Hong Kong and will oversee the bank's operations in the region. Ross has previously worked for Chase Bank in various capacities and has extensive experience in the financial services industry. The appointment of Ross is seen as a key move by Chase Bank to strengthen its presence in the Asia Pacific market.

**TOKYO** — Business Development Bank of Japan (BDBJ) has announced that it has received approval from the Japanese government to provide financing for a project in the United States. The project involves the development of a new industrial park in the state of Texas. BDBJ is a government-owned financial institution that provides financing for Japanese companies and projects abroad. The approval of the project is a significant step towards strengthening economic ties between Japan and the United States.

**London** — The Bank of England has announced that it will increase its base rate from 8 percent to 8.75 percent starting from August 1st. This move is in line with the European Central Bank's decision to raise its discount rate. The Bank of England's decision is expected to lead to a general increase in interest rates across Europe, which could have a dampening effect on economic growth in the region.

# AMEX

**Friday's Closing**  
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect the trades elsewhere. Via The Associated Press

| High   | Low    | Stock     | Div  | Yield | PE   | High   | Low    | PE   | Div  | Yield | PE   |
|--------|--------|-----------|------|-------|------|--------|--------|------|------|-------|------|
| 110.00 | 108.00 | IBM       | 3.00 | 2.7%  | 12.5 | 110.00 | 108.00 | 12.5 | 3.00 | 2.7%  | 12.5 |
| 100.00 | 98.00  | Microsoft | 0.00 | 0.0%  | 15.0 | 100.00 | 98.00  | 15.0 | 0.00 | 0.0%  | 15.0 |
| 90.00  | 88.00  | Oracle    | 0.00 | 0.0%  | 18.0 | 90.00  | 88.00  | 18.0 | 0.00 | 0.0%  | 18.0 |
| 80.00  | 78.00  | Intel     | 0.00 | 0.0%  | 20.0 | 80.00  | 78.00  | 20.0 | 0.00 | 0.0%  | 20.0 |

| High   | Low    | Stock     | Div  | Yield | PE   | High   | Low    | PE   | Div  | Yield | PE   |
|--------|--------|-----------|------|-------|------|--------|--------|------|------|-------|------|
| 110.00 | 108.00 | IBM       | 3.00 | 2.7%  | 12.5 | 110.00 | 108.00 | 12.5 | 3.00 | 2.7%  | 12.5 |
| 100.00 | 98.00  | Microsoft | 0.00 | 0.0%  | 15.0 | 100.00 | 98.00  | 15.0 | 0.00 | 0.0%  | 15.0 |
| 90.00  | 88.00  | Oracle    | 0.00 | 0.0%  | 18.0 | 90.00  | 88.00  | 18.0 | 0.00 | 0.0%  | 18.0 |
| 80.00  | 78.00  | Intel     | 0.00 | 0.0%  | 20.0 | 80.00  | 78.00  | 20.0 | 0.00 | 0.0%  | 20.0 |

| High   | Low    | Stock     | Div  | Yield | PE   | High   | Low    | PE   | Div  | Yield | PE   |
|--------|--------|-----------|------|-------|------|--------|--------|------|------|-------|------|
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**Notes:**  
 Sales figures are unofficial. Yearly high and low refer to the previous 52 weeks plus the current week, but not the listing day. Where a split or stock dividend amounting to 25 percent or more has been declared, the high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual distributions based on the latest declaration.  
 1—Newly listed.  
 2—Annual rate of dividend plus stock dividend.  
 3—Interim dividend.  
 4—Dividend declared or paid in preceding 12 months.  
 5—Dividend declared or paid in preceding 12 months, subject to 10% non-residence tax.  
 6—Dividend declared or paid in preceding 12 months.  
 7—Dividend declared or paid in preceding 12 months, on an accumulative basis.  
 8—New issue in the past 52 weeks. The high-low range being bid is not yet in delivery.  
 9—Dividend declared or paid in preceding 12 months, plus stock dividend.  
 10—Dividend declared or paid in preceding 12 months, estimated book value on ex-dividend or ex-distribution date.  
 11—Trading notice.  
 12—In community or recoverable or being represented by a trustee.  
 13—When distribution.  
 14—When distribution.  
 15—Without warranty.  
 16—Dividend and sales in full.

هكنا من الأصل



MONEY

FIRST COLUMN

Old for New In German, U.S. Moves

WELL, it could have been worse. Unless you're a Perot supporter with holdings in German bonds and put options on U.S. shares, it really hasn't been that bad of a week. Everyone knows that political events affect financial markets. But this week's news provides a curious study in contrasts between the long and the short term.

In Spain, the Rain Falls Mainly on the Market

By Karina Robinson

STANDARD wisdom has it that once a stock market has anticipated and discounted all possible bad news it will start to rise. The problem in Spain is that the bad news just keeps on coming.

Olympics and world exhibitions make for pleasant headlines, but analysts are asking hard financial questions. Like "Can Spain afford it?" To judge from this week's economic data, which revealed an increase of more than 40 percent in the January to June budget deficit, the answer may be negative.

Aside from purely economic concerns, there is the European factor to account for. When the Danes voted against the Maastricht accord on economy and monetary union for the European Community, the market fell below its 1991 year-end level, with its general index closing at 240. Since then, it has edged down close to 230. Market observers said the result of the French referendum on the treaty this fall will have an important effect on sentiment.

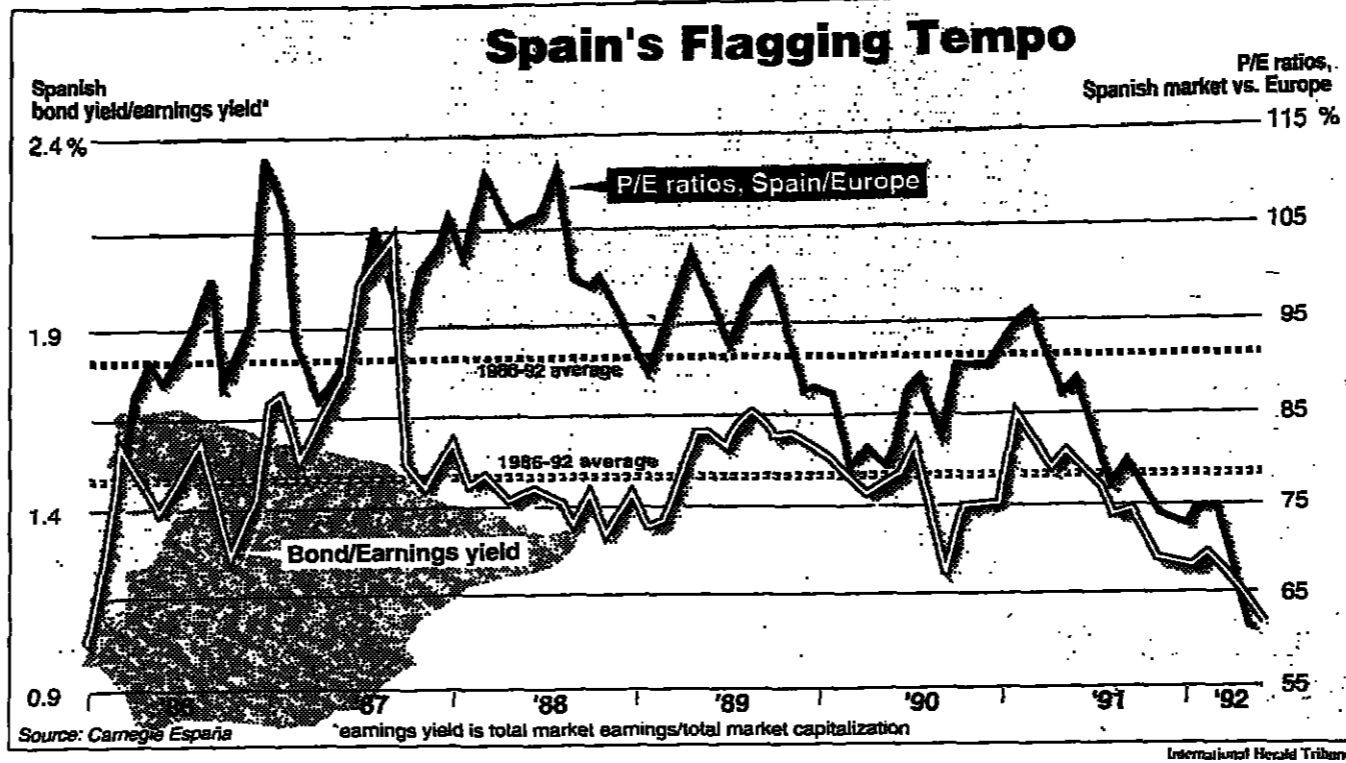
The importance of the Maastricht agreement to the Spanish economy cannot be overstated. Convergence theory — that interest rates will come down in line with those of the stronger economies of the European Community members — is only a part of it.

As Alvaro Martinez Bilbao, head of the stock market research department at Banco de Bilbao-Vizcaya, said, "Maastricht is used as an excuse by the government to adopt a harder negotiating stand vis-à-vis the unions' pay demands." Waving the flag of European integration has in effect served to obscure the fact that unpopular economic measures are essential to pull the Spanish economy together, with or without European monetary union.

Inflation is running at 6.5 percent, way over the government's 5 percent aim for the year. With wage settlements running at 7.5 percent in the first months of 1992, there seems to be little hope of achieving the target and thus allowing interest rates to fall. An added difficulty in 1993 will be the need to raise the value-added tax.

Interest rates are also being kept high by the government's borrowing needs. The public-sector deficit appears to be virtually out of control. After coming in at 4.4 percent of gross domestic product in 1991, it looks set to widen to 5 percent unless the government can increase its receipts and control its spending.

The problem stems in part from a severe slowdown in the economy. This has limited corporate profits — leading to lower tax receipts — and meant a rise in unemployment benefits. Although Spain is technically not in recession, growth prospects are far from healthy. The administration is having to downgrade its GDP growth projection to 2 percent from 3 percent, and it may still be erring on the optimistic side. Without a healthy 3 percent GDP growth, Spain cannot absorb new entrants to the job market, let alone cut its unemployment.



But the day of reckoning has arrived. The government has been delaying payments to the construction companies and is postponing a road-building plan, leading to a 58 percent drop in construction in the first five months of the year, compared with the like period in 1991, according to the Carnegie España brokerage house. For the first time in eight years, revenue by construction companies is expected to decrease in 1992.

Although the banking sector continues to grow, it faces a series of problems stemming from the dismal economic climate and the Danish referendum. Loans to corporate borrowers are suffering, and a recent spurt of in bad debts seems likely to increase. Asset sales and revaluations due to mergers over the last few years profit. But in 1992 these will be significantly lower, while provisions for bad debts and for the unforeseen rise in interest rates following on the Danish vote will be higher.

Telefónica de España SA, the national telephone company, which is perceived by many as the leading Spanish stock, is in the process of setting up a pension fund for its employees to cover a shortfall. Uncertainty over the cost and possible worker protests has been having a negative effect on the stock. But even so, it rose 15 percent over the first quarter of the year, proving Mr. Martinez Bilbao's contention that blue-chip stocks are outperforming the general market.

In great part, this is due to the high level of foreign investment in the Spanish stockmarket. At around 35 percent, the effect is compounded by the large quantities of stock bought and sold by foreigners. This means that they will only buy very liquid issues, which limits their major investments to less than 30 listed, mainly blue-chip, companies.

ONE of the blizzards of the blue is Repsol SA, the state-controlled oil company, which has been partly privatized. Some of the government shareholding was sold in 1989 and there is to be a further large international equity offering in the late autumn. The second sale could leave the government with a minority stake, although the dispersal of shares ensures it will have the controlling voice. The stock has risen around 70 percent since its flotation in May 1989.

Most brokers recommend selective buying: a pretty catchphrase that means focusing on blue-chip stocks such as Repsol or Banco de Santander, one of the top Spanish banks, which are believed to be undervalued. There appears to be little optimism about the market as a whole for 1992, while in 1993 the economic situation seems unlikely to improve and the government's funding problems will not go away.

The one ray of hope in this murky scenario is an acceptance of the Maastricht treaty by French voters. This would reinforce the government's hand in applying corrective measures to the Spanish economy.

Sea Change in Attitudes Favors Bond Investing

THE recent cut in the U.S. discount rate and the concern over German rates are causing international investors to reassess their attitudes to stocks and bonds.

The British, for example, traditionally among the most aggressive equity investors worldwide, are increasingly guarding against disappointing stock markets by switching large slices of their portfolios into bonds.

When asked why, investors cite an environment of low world inflation and growth reducing the traditional outperformance of equities over fixed-income securities. Add this to the prospect of high volatility in stock markets, and many investors are finding the more predictable bond markets increasingly attractive.

According to a survey commissioned by Smith New Court Securities, the London-based brokerage house, the movement has gathered pace this month. Some 32 percent of the 100 leading institutional investors surveyed were planning to increase their hold-

ings of British government gilts in July, while only 16 percent were in June. There are similar increases in the balance planning to increase their holdings in index-linked gilts, overseas bonds and cash deposits.

By contrast, only 10 percent of investors are planning to buy more British stocks. That is the lowest result since the survey began two years ago.

The shift is backed up by a fall in expectations for British earnings growth. That does not mean investors are bearish about world equity markets. On the contrary, according to the survey, they are bullish about the next year's outlook in Britain, Europe and Japan, while they are neutral on the United States. It is just that they believe that, in the foreseeable future, equity markets will not outperform bond markets by the same degree as they did in the 1980s.

Norwich Union, the third-biggest British insurer, set the trend late last year when it switched £1.5 billion (\$2.89 billion) of its £23 billion portfolio out of its holdings of mainly

British equities and into bonds, chiefly gilts. Its conservative fund now has a low 48 percent committed to equities and 23 percent in bonds, with the rest in real estate and subsidiary companies.

Paul Turnbull, chief economist at Smith New Court, said: "My own view is that it will be part of a longer term trend because I believe that the 1990s will be a decade of low inflation and relatively subdued growth and that is destined to be an environment where bonds perform well."

But the equity-market still has some aggressive supporters. Vivian Bazalgaite, a director of Gartmore Investment Management Ltd., with responsibility for British pension funds, agreed that equities were no longer as attractive, compared with gilts and other fixed-interest instruments. However, he said, that as long as equity markets outperform by a degree, Gartmore will remain 90 percent invested in them, despite the short-term volatility, because it is a long-term investor. —RUPERT BRUCE.

BRIEFCASE

Shearson Fund Targets Popular Mexican Market

Liberalization of Mexico's financial services industry and growth of foreign investment interest in the country continue unabated. Shearson Lehman Brothers has just launched an offshore mutual fund invested primarily in Mexican shares, but with 10 percent of funds going to Mexican government debt to add liquidity.

The fund will concentrate on actively traded shares of companies with a market capitalization of at least \$50 million. It will also purchase American depositary receipts — securities that behave like regular local equities, but that are traded in the United States.

The fund's investment managers are Shearson Lehman's global asset management arm, and Acci Worldwide, the international advisory unit of Acciones y Valores de Mexico, itself part of the Banzamex-Accival group.

Minimum investment in the fund is \$25,000. Subsequent investments must be at least \$5,000. There is a decreasing fee for early redemption, starting at a 5 percent penalty for a sell order in the first year and falling to nothing if investors remain faithful for five years. Annual charges run at around three percent.

The fund is not open to U.S. nationals or residents.

For more information, contact your local Shearson Lehman Brothers office.

Mexico's Bolsa



Index of Mexican stocks freely purchasable by foreign investors.

British Group Fights to Curb Tax on Onshore EC Investors

The Unit Trust Association, the industry lobby group of the British open-end mutual fund industry, is pushing for legislation to allow onshore British funds to pay gross dividends to European Community investors who do not live in Britain. Currently, all onshore funds are obliged to deduct a withholding tax.

The association points to a declining market share of funds in Europe to back its argument. Figures from the European Federation of Investment Funds and Companies reveal that from 1985 to the end of last year, funds under management in Britain fell to 13 percent from 20 percent of the European market. The tax-privileged domicile of Luxembourg, however, has seen massive growth in the same period. Starting with minimal sums under management, Luxembourg accounted for more than \$130 billion at the end of 1991 — \$28 billion more than funds managed in Britain.

Firms Use Joint Ventures To Prepare for EC Market

Joint ventures are among the most popular ways of dealing with the difficulties of exploiting the pan-European Community

market in goods and services scheduled to be in place by Jan. 1, according to London-based strategic management consultancy Datamonitor.

It cites some genuinely European examples of tackling the wider market: Germany's Hypobank has set up a mortgage business in Italy with the British savings and loan institution, Woolwich. Meanwhile Société Générale is selling mortgages in Britain through another British thrift institution, the Skipton Building Society.

Chicago Futures Manager Takes Rate Idea Offshore

Futures funds have generally been having a tough year, but that has not prevented Chicago-based manager Sjo Inc. from launching an offshore version of its Foreign Financial Program.

The fund trades long- and short-term U.S. interest rate futures on the London, Paris Tokyo and Sydney markets.

The onshore fund, along with many others, has put in some impressive performances historically. But readers are reminded that past performance is no guarantee of what happens in the future.

For more information on the Sjo Global Fund Ltd., write Sjo Inc., 213 W. Institute Place, Suite 710, Chicago, Illinois, 60610; or call (312) 266-1229.

Finexo Funds Offer Choice Between 2 Levels of Risk

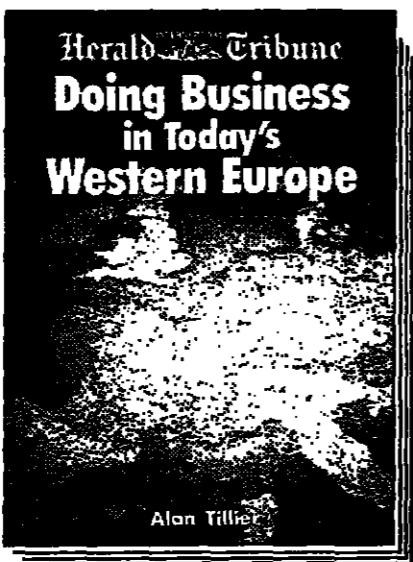
Finexo International, the offshore investment management arm of the Finexo financial consulting concern, is launching two funds in conjunction with Royal Life International, the British insurer.

The Balanced Strategy and Specialist strategy funds aim for long-term capital growth and outstanding growth in the short to medium term, respectively. In other words, the second fund is a lot riskier than the first. This is reflected in the fact that the second fund invests in warrants, options and futures to maximize market movements, whereas the first fund offers a mix of stocks, bonds and currency deposits.

There is a 7 percent bid-to-offer spread on units in the funds, and an annual management charge of 2.2 percent. Minimum investment is variable.

For more information, write Finexo International, P.O. Box 193, Fairbairn House, St. Peter Port, Guernsey, Channel Islands; or call Guernsey (44 481) 713-100.

Must reading for penetrating the world's largest single market.



In this authoritative handbook, international business journalist Alan Tiller explores the goldmine of business opportunities in the world's largest and increasingly powerful marketplace — Western Europe. The book also spotlights top companies and tells the stories behind their successes in European markets. To complete the picture, the author examines key issues that affect investment in Europe, such as EC merger and acquisitions policies, technical standardization, public procurement, labor relations, telecommunications, and more.

For those who wish to explore new opportunities in the world's largest market, or for those who simply want to know how business in Western Europe operates, *Doing Business in Today's Western Europe* is must reading. Published by the International Herald Tribune and NTC Publishing (Chicago). Hardcover, 439 pages.

Form for ordering the book 'Doing Business in Today's Western Europe'. It includes fields for NAME, ADDRESS, CITY/STATE, COUNTRY, and a section for payment method (Credit Card, Access, Amex, MasterCard, Eurocard, Diners, Visa). It also includes a signature line and a return address for the International Herald Tribune.

Vertical text on the right edge of the page, partially cut off, including 'A War Risk Man...' and 'It's in the...'.

Handwritten text at the bottom center: 'مكاتبنا في القاهرة'.







SPORTS

2 Rounds Left, but the Title Seems His for the Putting Out

By Ian Thomson
International Herald Tribune
GULLANE, Scotland — The Friday afternoon wind ran a brush through his hair and the tall surrounding grass as Nick Faldo...

the greens were shrinking or if Jack Nicklaus was suddenly 20 years younger and one group behind him. He could not explain it, and he would not try. After the eagle, he was birdieing four of six holes. He was 6-under par over a span of seven holes.



Nick Faldo showed the gallery how close he had come to making a birdie putt on the 18th hole Friday.

Friday's second round scores on the 47th year of the Muirfield Golf Links (60 holes) in Gullane, Scotland:
Nick Faldo 66-64=130
John Cook 64-63=127
Gordon Brand, Jr. 64-63=127
Steve Pole 64-63=127
Donnie Hammond 64-63=127
Raymond Floyd 64-63=127
Ernie Els 64-63=127
Tom Purtzer 64-63=127
Sally Ann Curtis 64-63=127
Jose Maria Olazabal 64-63=127
Malcolm Mackenzie 64-63=127
Steve Elkington 64-63=127
John Daly 64-63=127
Craig Parry 64-63=127
Lanny Wadkins 64-63=127
Lew Neel 64-63=127
Chris Beck 64-63=127
Russ Cochran 64-63=127
Lee Janzen 64-63=127
Tom Kite 64-63=127
Andrew Moore 64-63=127
Mark O'Meara 64-63=127
Fred Couples 64-63=127
Johnnie Walker 64-63=127
Duffy Waldorf 64-63=127
Tommy Alton 64-63=127
Mark Calcavecchia 64-63=127
Mike Harwood 64-63=127
Nick Faldo 64-63=127
Peter Allchurch 64-63=127
Jodie Murray 64-63=127
Robert Stammers 64-63=127
David Milne 64-63=127
Mark McNulty 64-63=127
John Robson 64-63=127
Vijay Singh 64-63=127
Mark Roe 64-63=127
Hendrik Butnerman 64-63=127

Faldo Defies Wind to Set An Open Record

By Leonard Shapiro
Washington Post Service
GULLANE, Scotland — Links the way they like it returned to this breezy corner of the Scottish coast on Friday. Britons on the wind swirling around Muirfield's bounding fairways and shot-grabbing greens for most of the day was a wee bit of sanity on the scoreboard in the second round of the 121st British Open.

Delgado and Roche Shake Up the Tour

By Samuel Abt
International Herald Tribune
ST. GERVAIS, France — The Tour de France tightened dramatically at the top Friday as two former winners of the world's greatest bicycle race moved close to the yellow jersey of the overall leader.

SCOREBOARD

Table with columns for Major League Standings (American League, National League) and Thursday's Line Scores (American League, National League).

BASEBALL

Table with columns for Major League Standings (American League, National League) and Thursday's Line Scores (American League, National League).

THE ONE PERFORMER EVERYONE'S COUNTING ON AT THIS YEAR'S GAMES.

Advertisement for Seiko Barcelona '92 Official Timer. Includes the Olympic rings logo and the text 'Seiko brings all the excitement of the Olympic Games to the world through the Total Sports Operating System.'

FEELING OUT OF IT?

Advertisement for AT&T USADirect Service. Includes the AT&T logo and the text 'AT&T USADirect Service can get you back to the office in seconds. Just dial the access number of the country you're in. You'll be connected to AT&T in the U.S. and we'll complete your call fast.'

DAVE BARRY Beware of Iced Weapons

MIAMI — I was not particularly alarmed when I received word of the assault with the frozen kangaroo tails. Here is the Associated Press report, which was sent to me by many alert readers (I am not making any of the following news reports up):

MAN ARRESTED FOR WIELDING OPSOSSUM AS WEAPON

This report states that two Oxnard, California, officers on patrol encountered a man who came at them wielding a live opossum, "its teeth gnashing alarmingly." The officers apprehended the man, but during the struggle, "the opossum broke free and disappeared into the night."

WOMAN HURLS DEAD RACCOON AT LAWYER

The story states that a woman was arrested following a scuffle with her neighbor, who is a lawyer. The woman claims the lawyer knocked her down onto a road kill, so she threw it at him.

MAN ATTACKED WITH GOLDFISH

The report states "A 28-year-old San Francisco man got so mad at his roommate that he tried to stuff a live goldfish in the roommate's mouth." The roommate was treated at a medical center and released. The goldfish died.

ANNOUNCEMENTS

- THANK YOU ST JUD... ANNOUNCEMENTS... FRIENDSHIPS... Edith Brigitta Fahrenkrog... YOUNG BLONDE GERMAN LADY... DIRECTOR OF WORLDWIDE BUSINESSES...

United Arts: Berlin's Cultural Mediator

By John Rockwell New York Times Staff



He has been cultural senator since early 1991 and must report on his activities every two weeks to a senate committee. Despite his successes and seeming popularity, his job has not been easy.

As cultural senator, Ulrich Roloff-Momin heads an agency with 210 administrators, and oversees an annual budget that in 1992 consists of nearly \$600 million.

BERLIN — Cultural bureaucrats lead shadowy lives, lost behind the brilliance of better-known artists and directors. Which is as it should be.

Like all Berliners, Roloff-Momin hopes that Bonn gets around soon to passing a formal "capital contract," wherein Berlin will receive an agreed-upon sum annually from the national government.

PERSONALS

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PEOPLE

Marla's Missing Shoes The Heel Is Arrested Donald Trump says he was zoned by the mysterious disappearance of shoes — up to 200 pairs — from his Manhattan apartment.

Palermo An Anti Blast Follow

ROME — Less than two weeks after the Mafia assassinated Sicilian organized crime boss, the city of Palermo is being hit by a series of bombings.

Convent And the

By Dale Russel and Mary Jo... A convent in the United States has become a center for the study of the lives of the saints.

New Cabinet in

ALGIERS (Reuters) — A cabinet of Sunday, containing five ministers in a delicate situation, was formed.

Truce in

Fails to... By John F. Burns New York Times Service SARAJEVO, Bosnia-Herzegovina — Sporadic mortar and shell fire continued here Sunday.

Advertisement for Herald Tribune featuring a portrait of Anthony Sampson and the text 'People at the top read the Trib.' and 'Simply a balanced editing of the news for people with a stake in international affairs.'